

**MINUTES OF THE
COMMERCE & REVENUE APPROPRIATIONS SUBCOMMITTEE
ROOM 414, STATE CAPITOL BUILDING
Monday, January 22 , 2001**

MEMBERS PRESENT: Sen. Scott Jenkins, Co-Chair
 Rep. Bryan D. Holladay, Co-Chair
 Sen. Dan Eastman
 Sen. Ed Mayne
 Rep. Eli Anderson
 Rep. Chad Bennion
 Rep. Cindy Beshear
 Rep. David Cox
 Rep. Peggy Wallace

STAFF PRESENT: Bill Greer, Fiscal Analyst
 Jonathan C. Ball, Fiscal Analyst
 Marilyn Reed, Committee Secretary

VISITORS LIST: Attached to and made a part of these minutes.

Rep. Holladay called the meeting to order at 2:10 p.m.

Rep. Holladay made introductions of the staff and committee members.

MOTION: Rep. Bennion moved to approve the minutes of the January 17 and January 19, 2001 meetings. The motion passed unanimously with Sen. Eastman and Rep. Cox absent for the vote.

Rep. Holladay continued introductions of visitors from the various agencies who were in the audience. After the introductions, he recommended that the departments and staff make their presentations one day, give the committee an opportunity to ask questions, then vote on the particular budget request being presented at the following meeting. The committee agreed.

Fiscal Analyst, Bill Greer, advised the committee that the Executive Appropriations Committee has not made the final allocation to the subcommittees. Therefore, the committee will be looking at requests for additions to the budget, or changes within the budget, and then the committee will prepare a final recommended budget with a prioritized list of what is most important to be funded.

An overview of the Governor's Budget Request was presented by Scott Green, Budget Director of the Governor's Office of Planning and Budget, who substituted for John Nixon. The governor has recommended a 6% compensation package for all state agencies, which includes a 2.75% for a merit step, plus 3.25% discretionary funding. The Governor recommends ongoing increases for the following agencies: Alcoholic Beverage Control, Commerce, Financial Institutions, Insurance, Labor Commission, Public Service Commission, Tax Commission, and Workforce Services. One-time increases for additional equipment and items have been recommended for many of the agencies.

The Governor's office is also requesting supplemental FY 2001 funding for Alcohol Beverage Control, Commerce, Labor Commission, Public Service Commission, Tax Commission, and Workforce Services. Mr. Green passed out a sheet summarizing the Governor's recommendations.

Fiscal Analyst, Jonathan Ball, asked for a clarification of the Alcoholic Beverage Control and Commerce restricted funds and how they impact the General Fund as opposed to how Insurance collects money which affects the General Fund. Alcoholic Beverage Control collects from liquor sales and all operating costs come from that fund. Any profit they make is transferred to the General Fund. Commerce collects all regulatory fees which are handled the same as Alcoholic Beverage Control. Financial institutions collect restricted fees and, if not spent, stay in that account and never go to the General Fund.

Bill Greer, Fiscal Analyst, listed the agencies under the Commerce and Revenue Joint Appropriations Subcommittee. He discussed the line-item funding, funding sources, and spending allowances for the agencies. He informed the committee of major issues the committee would be addressing, including the impact of H.B. 320 (2000) and revenue/workload ratios.

Alcoholic Beverage Control:

Analyst Bill Greer gave an overview of the Department of Alcoholic Beverage Control. He detailed the base funding and the recommendations for additional funding. (See Budget Analysis).

Ken Wynn, Director of the Alcoholic Beverage Control, Dennis Kellen, Operations Manager, and Richard Pearson, Administrative Services Manager, explained budget requests for six FTE, a scrubber, and funding for electronic commerce. It was emphasized the agency returns money to the General Fund every year. They then responded to questions from the committee. A discussion of the impact of part time employees on the budget and reasons for turnover of FTEs ensued. They discussed the need for additional staff.

Sen Jenkins requested that the agency give details of where the additional FTE will be used.

Rep. Holladay adjourned the meeting 3:30 p.m.

Sen. Scott Jenkins, Co-Chair

Rep. Bryan D. Holladay, Co-Chair